

# **STANDARD PREMIUM FINANCE HOLDINGS, INC.**

## **COMPENSATION COMMITTEE CHARTER**

**April 25, 2022**

### **Organization**

The Board of Directors of Standard Premium Finance Holdings, Inc. (the “Company”) has established the Compensation Committee (the “Committee”) for the purpose and with the duties, responsibilities and authority set forth below.

### **Purpose**

The Compensation Committee assists the Board of Directors in carrying out its responsibilities related to executive and director compensation, employee benefit and compensation plans, executive development and executive succession.

### **Membership**

The Committee shall consist of two or more independent members of the Board who satisfy the SEC and NASDAQ Stock Market requirements for compensation committee members applicable to the Company, as such requirements are interpreted by the Board in its business judgment. Each member of the Committee shall also qualify as a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Members of the Committee shall be recommended by the Nominating Committee and appointed by the Board. Members may be removed by the Board in its discretion. Prior to appointing a member of the Committee the Board must consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee.

The Board shall designate one member as Chairman or delegate authority to designate a Chairman to the Committee.

### **Duties and Responsibilities**

Among its specific duties and responsibilities, the Committee shall, consistent with and subject to applicable law, rules, regulations and requirements promulgated by the SEC, NASDAQ and other applicable regulatory authority:

1. Annually review and approve the compensation of the Chief Executive Officer (CEO), set the individual performance and Company goals and objectives relevant to the CEO’s bonus and incentive compensation, evaluate the CEO’s performance in meeting these goals and objectives, and determine the CEO’s compensation based on this evaluation and other factors it deems relevant.

2. Annually review with the CEO and approve executive officer compensation including individual and Company performance goals and objectives and performance in meeting these goals and objectives. Executive officer is defined as any officer who reports directly to the CEO, named executive officers listed in the Company's proxy statement and any other officer of the Company or its subsidiaries so designated by the CEO or whose compensation is required to be determined by the Compensation Committee pursuant to NASDAQ Stock Market rules.
3. Review and approve annual and long-term incentive compensation programs including plan design, documentation, and incentive amounts, and perform the duties set forth in the approved programs, such as evaluation of performance against goals and determination of payouts. Review the performance of fiduciaries of the Company's benefit plans and make changes as the Committee deems appropriate.
4. Review and approve proposed compensation arrangements for the CEO and senior officers including employment agreements and severance arrangements, including change-in-control provisions, plans or agreements.
5. Recommend to the Board all components of compensation for directors.
6. Annually assess the Company's risk relating to its compensation policies and practices and report its assessment to the Board.
7. Provide a report to stockholders for the annual proxy statement on executive compensation policies and criteria, if such is required by applicable law, regulation or stock market rules. Review and discuss with management the required Compensation Discussion and Analysis and, based on this review and discussion, determine if such Compensation Discussion and Analysis shall be recommended for inclusion in the Company's annual report on Form 10-K and proxy statement.
8. Annually review executive development and succession plans for executive officer positions.
9. Annually review management's assessment of the effectiveness of its human resources policies and programs.
10. Perform all the duties required of the Compensation Committee in connection with any qualified plans and equity compensation plans of the Company.
11. Conduct an annual evaluation of the Committee's performance, review Committee member qualifications, and make recommendations to the Nominating Committee regarding committee member appointments and removals.
12. Annually review and assess the adequacy of the Committee's Charter, and make appropriate recommendations for changes to the Board for approval.

### **Meetings and Reports to the Board of Directors**

The Committee shall meet at least three times per year, either in person or telephonically, and at

such times and places as the Committee shall determine. The Chairman of the Board, if not a member of the Committee, and the CEO shall receive and be entitled to attend the meetings of the Committee but shall have no vote. The CEO may not be present when his or her compensation is being deliberated or voted upon. The Committee may require any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

A majority of the members of the Committee present in person or by conference telephone shall constitute a quorum. The Chairman of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.

### **Retention of Outside Consultants and Advisers**

The Compensation Committee shall have the authority to retain, at the Company's expense, such outside counsel, compensation consultants, experts and other advisers as it deems necessary or appropriate to assist the Committee in the performance of its functions. The Compensation Committee shall have sole authority to approve related fees and retention terms and shall receive appropriate funding from the Company, as determined by the Committee, for payment of fees to such advisers. The Committee shall select and receive advice from such outside advisers only after taking into consideration the independence of such advisers using factors established by law, the rules and regulations of the Securities and Exchange Commission and the NASDAQ requirements, including:

- the provision of other services to the Company by the adviser's employer;
- the amount of fees received from the Company by the adviser's employer, as a percentage of the total revenue of the employer;
- the policies and procedures of the adviser's employer that are designed to prevent conflicts of interest;
- any business or personal relationship of the adviser with a member of the Committee;
- any stock of the Company owned by the adviser; and
- any business or personal relationship of the adviser or the adviser's employer with an executive officer of the Company.

Approved by the Board of Directors

Standard Premium Finance Holdings, Inc.  
April 25, 2022